



# PSC NEWS

## Missouri Public Service Commission

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FY-04-154

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### MEDIA REMINDER

#### **PSC TO HOLD ON-THE-RECORD PRESENTATION IN MISSOURI-AMERICAN WATER COMPANY RATE CASES**

Jefferson City (March 17, 2004)---The Missouri Public Service Commission will hold an on-the-record presentation at **2:00 pm on March 19, 2004**, to receive additional information from various parties regarding a proposed agreement in water and sewer rate cases filed by the Missouri-American Water Company.

The on-the-record presentation will be held in Room 310 of the Governor Office Building, 200 Madison Street, in Jefferson City. The Governor Office Building is a facility that meets accessibility standards required by the Americans With Disabilities Act. If any person requires additional accommodations to participate in the presentation, please call the Missouri Public Service Commission's Hotline at 1-800-392-4211 (voice) or dial 711 for Relay Missouri prior to the hearing.

The agreement calls for no increase in annual water revenues in the Brunswick, Jefferson City, Mexico, Parkville, St. Charles, St. Joseph, St. Louis County and Warrensburg Districts. In addition, the agreement calls for annual water revenues to drop by approximately \$350,000 in the Company's Joplin District. While the total revenue generated in a specific district will not change, rates for specific classes of customers (such as residential, commercial or industrial) could increase or decrease based upon rate design issues agreed to by various parties in this case. The agreement would not change sewer rates for approximately 100 Parkville District sewer customers.

As part of the agreement in this case, the parties have proposed a rate moratorium until December 31, 2005. In addition, Missouri-American Water Company will spend a minimum of \$12 million in infrastructure replacements in calendar year 2004, \$18 million in calendar year 2005 and \$25 million in calendar year 2006 in its St. Louis County District. The agreement also calls for the current infrastructure system replacement surcharge (ISRS) for St. Louis County District customers to be reset to zero effective April 16, 2004. Additionally, the Company has agreed not to request an ISRS surcharge for its St. Louis County District prior to December 16, 2005, under the terms of the proposed agreement.

When Missouri-American Water Company filed its rate request on May 19, 2003, it sought to increase annual water revenues by approximately \$20 million. Missouri-American also sought to increase annual sewer revenues by approximately \$1,600 in its Parkville District.

Based upon an audit of the books and records of the Missouri-American Water Company, the PSC Staff filed a complaint on October 3, 2003 seeking to reduce annual water revenues by between \$19 and \$21 million.

The Commission is currently reviewing the agreement filed by the various parties which would, if approved, resolve all issues in the rate cases.

Missouri-American Water Company serves approximately 413,580 water customers in its nine districts.

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